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311509Z Oct 05

UNCLAS BOGOTA 010204

SIPDIS

E.O. 12958: N/A

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SUBJECT: Colombian Civil Aviation Response to Demarche on  
Travel Agent Commissions

REF: STATE 196362

1. During an October 26 meeting with the Colombian Civil Aviation Authority (CAA) Director General Fernando Sanclemente, DCM raised USG concerns regarding mandatory travel agent fees for airline ticketing. Sanclemente said he will be meeting with travel agency representatives next month, but due to the fact that travel agent commissions are a contentious issue, it would be very difficult to eliminate them. Sanclemente noted this was a neuralgic issue and that the travel agents and airlines had irreconcilable positions. He also criticized previous attempts to manage this issue.

2. Sanclemente said he was seeking presidential approval to reduce commissions over the next two years to between two and three percent from eight percent now.

3. Sanclemente noted part of his proposal would mandate the decreased commissions be passed to the public as lower fares. He explained this would be an integral part of the proposal.

4. Sanclemente said he expects his proposal to be approved in November. Given the public benefit of reduced commissions, DCM applauded the efforts being made by the CAA in this area. DCM further suggested that Sanclemente garner support for CAA's work on the issue by going public with a firm position to lower commissions explaining that this would lead to lower prices for consumers.

5. DCM has discussed these developments with an American Airlines official who has been in contact with the embassy.

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